

**HURON-KINLOSS FINANCIAL PLAN FOR WATER WORKS**  
**Goal: Increase Rate of Replacement to Match Average Age of Assets and Have Positive Reserves by End of 2021**

	2016	2017	2018	2019	2020	2021
<b>FINANCIAL POSITION</b>						
<b>Financial assets</b>						
Cash and cash equivalents	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790
<b>Total FINANCIAL ASSETS</b>	<b>4,242,805</b>	<b>4,289,334</b>	<b>1,478,767</b>	<b>1,846,998</b>	<b>2,404,387</b>	<b>18,790</b>
<b>Liabilities</b>						
Long-term debt	-	-	-	-	-	-
<b>Total LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET DEBT (Liabilities - Assets)</b>	<b>(4,242,805)</b>	<b>(4,289,334)</b>	<b>(1,478,767)</b>	<b>(1,846,998)</b>	<b>(2,404,387)</b>	<b>(18,790)</b>
<b>Non-financial assets (Tangible capital assets)</b>						
Existing watermain and facilities - book value	19,754,425	20,722,350	22,057,608	26,357,000	27,620,345	28,814,157
New watermains and facilities - at cost	550,000	910,000	3,862,000	785,000	705,000	3,765,000
Less: Amortization	(417,925)	(425,258)	(437,392)	(478,345)	(488,812)	(498,212)
<b>Total NON-FINANCIAL ASSETS</b>	<b>20,722,350</b>	<b>22,057,608</b>	<b>26,357,000</b>	<b>27,620,345</b>	<b>28,814,157</b>	<b>33,077,368</b>
<b>Financial position (Non-Financial assets - Net Debt)</b>	<b>24,965,155</b>	<b>26,346,942</b>	<b>27,835,767</b>	<b>29,467,343</b>	<b>31,218,543</b>	<b>33,096,158</b>
<b>Analysis of financial position</b>						
Equity in tangible capital assets	20,722,350	22,057,608	26,357,000	27,620,345	28,814,157	33,077,368
Reserves and reserve funds	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790
General surplus (deficit)	-	-	-	-	-	-
<b>Financial position (from analysis)</b>	<b>24,965,155</b>	<b>26,346,942</b>	<b>27,835,767</b>	<b>29,467,343</b>	<b>31,218,543</b>	<b>33,096,158</b>

	2016	2017	2018	2019	2020	2021
<b>FINANCIAL OPERATIONS</b>						
<b>REVENUE</b>						
<b>Lakeshore Area Waterworks</b>						
7000-3030 Township of Ashfield-Colborne-Wawanosh	-	-	-	-	-	-
7000-3100 Water Service Rate - Lakeshore	929,077	989,467	1,053,783	1,122,279	1,195,227	1,272,916
7000-3101 Metered Water - Lakeshore	11,715	12,476	13,287	14,151	15,071	16,051
7000-3112 Water Connection Permits	-	-	-	-	-	-
7000-4000 Hydrant Rental - Lakeshore	3,025	3,025	3,025	3,025	3,025	3,025
<b>Huron-Kinloss</b>						
7000-6010 Water Service Connection	121,756	129,670	138,099	147,075	156,635	166,817
<b>Whitechurch</b>						
7003-3100 Water Service Rate - Whitechurch	14,974	15,947	16,984	18,088	19,263	20,516
7003-3150 Communications Tower Rental	-	-	-	-	-	-
<b>Ripley</b>						
7005-3100 Water Service Rate - Ripley	143,669	153,007	162,952	173,544	184,825	196,838
7005-3101 Metered Water - Ripley	9,053	9,641	10,268	10,935	11,646	12,403
7005-3200 Waterworks Distribution Rate - Ripley	53,868	57,369	61,098	65,069	69,299	73,803
7005-4000 Hydrant Rental - Ripley	1,265	1,265	1,265	1,265	1,265	1,265
7005-6000 Water Service Connection	-	-	-	-	-	-
7005-6400 MOE - Source Water Protection Land Security	-	-	-	-	-	-
7005-6500 Westario Note Repayment	-	-	-	-	-	-
<b>Lucknow</b>						
7007-3100 Water Service Rate - Lucknow	271,149	288,774	307,544	327,534	348,824	371,498
7007-3101 Metered Water - Lucknow	19,170	20,416	21,743	23,156	24,662	26,265
7007-3200 Waterworks Distribution Rate - Lucknow	95,658	101,876	108,498	115,550	123,061	131,060
7007-4000 Hydrant Rental - Lucknow	2,255	2,255	2,255	2,255	2,255	2,255
7007-4900 JEPP Funding - Generator	-	-	-	-	-	-
7007-6010 Water Service Connection	-	-	-	-	-	-
<b>Total REVENUE</b>	<b>1,676,633</b>	<b>1,785,189</b>	<b>1,900,801</b>	<b>2,023,928</b>	<b>2,155,058</b>	<b>2,294,711</b>
<b>EXPENSES</b>						
<b>Huron-Kinloss</b>						
7000-7100 Salaries	35,700	36,414	37,142	37,885	38,643	39,416
7000-7200 Benefits	10,200	10,404	10,612	10,824	11,041	11,262
7000-7215 Drinking Water Quality Management Standard	-	-	-	-	-	-
7000-7220 Operation Contract	325,890	332,408	339,056	345,837	352,754	359,809
7000-7225 A-C-W Operations	-	-	-	-	-	-
7000-7254 Office Supplies	1,020	1,040	1,061	1,082	1,104	1,126
7000-7259 Courier	255	260	265	271	276	282
7000-7260 Telephone	18,360	18,727	19,102	19,484	19,873	20,271
7000-7261 Advertising	1,530	1,561	1,592	1,624	1,656	1,689
7000-7265 Association Memberships	306	312	318	325	331	338
7000-7266 Insurance	13,260	13,525	13,796	14,072	14,353	14,640
7000-7267 Legal	5,100	5,202	5,306	5,412	5,520	5,631
7000-7269 Property Taxes	7,446	7,595	7,747	7,902	8,060	8,221
7000-7270 Meetings - Registration	255	260	265	271	276	282
7000-7271 Meetings - Travel	-	-	-	-	-	-
7000-7272 Meetings - Meals	-	-	-	-	-	-
7000-7275 Miscellaneous	-	-	-	-	-	-
7000-7276 Engineering - Provincial Orders	-	-	-	-	-	-
7000-7277 Chemicals	35,700	36,414	37,142	37,885	38,643	39,416
7000-7278 Engineering	30,000	30,600	31,212	31,836	32,473	33,122
7000-7279 Water Quality Analysis	30,600	31,212	31,836	32,473	33,122	33,785
7000-7285 Depreciation Expense	417,925	425,258	437,392	478,345	488,812	498,212

7000-7310	Scada System Repairs and Maintenance	5,000	5,100	5,202	5,306	5,412	5,520
7000-7312	Treatment Equipment Repairs and Maintenance	20,000	20,400	20,808	21,224	21,649	22,082
7000-7320	Utilities - Hydro	105,000	110,250	115,763	121,551	127,628	134,010
7000-7346	Machinery Rental	510	520	531	541	552	563
7000-7350	Material and Supplies	7,140	7,283	7,428	7,577	7,729	7,883
7000-7351	Services	40,800	41,616	42,448	43,297	44,163	45,046
7000-7352	Lakeshore Area Shoreline Monitoring	15,810	16,126	16,449	16,778	17,113	17,456

#### Lakeshore Area

7000-7315	Watermain Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
7000-7318	Pump House Repairs and Maintenance - Lake	25,500	26,010	26,530	27,061	27,602	28,154
	Hydrant Replacements	-	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

#### Whitechurch

7003-7315	Watermain Repairs and Maintenance - Whitechurch	3,570	3,641	3,714	3,789	3,864	3,942
7003-7318	Pump House Repairs and Maintenance - Whitechurch	5,100	5,202	5,306	5,412	5,520	5,631
	Hydrant Replacements	-	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

#### Ripley

7005-7315	Watermain Repairs and Maintenance - Ripley	10,200	10,404	10,612	10,824	11,041	11,262
7005-7318	Pump House Repairs and Maintenance - Ripley	2,550	2,601	2,653	2,706	2,760	2,815
	Hydrant Replacements	-	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

#### Lucknow

7007-7315	Watermain Repairs and Maintenance - Lucknow	21,000	22,050	23,153	24,310	25,526	26,802
7007-7318	Pump House Repairs and Maintenance - Lucknow	5,250	5,513	5,788	6,078	6,381	6,700
	Hydrant Replacements	-	-	-	-	-	-
	Loss (Gain) on disposal of Capital Assets	-	-	-	-	-	-

<b>Total EXPENSES</b>	<b>1,226,477</b>	<b>1,253,919</b>	<b>1,286,760</b>	<b>1,349,042</b>	<b>1,381,480</b>	<b>1,413,520</b>
<b>Net Revenue (Deficit) for the year</b>	<b>450,156</b>	<b>531,270</b>	<b>614,041</b>	<b>674,886</b>	<b>773,577</b>	<b>881,191</b>

	2016	2017	2018	2019	2020	2021
<b>CASH FLOW</b>						
<b>Operating Transactions</b>						
Net revenue (deficit) for the year	450,156	531,270	614,041	674,886	773,577	881,191
Add back (deduct) non-cash expense:						
Add back Amortization of Capital Assets	417,925	425,258	437,392	478,345	488,812	498,212
<b>Total OPERATING TRANSACTIONS</b>	<b>868,081</b>	<b>956,529</b>	<b>1,051,433</b>	<b>1,153,231</b>	<b>1,262,389</b>	<b>1,379,403</b>
<b>Capital Transactions</b>						
<b>Lakeshore Systems</b>						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
<b>Whitechurch System</b>						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
<b>Ripley System</b>						
Growth related	-	-	-	-	-	(2,335,000)
Service enhancement (system upgrades)	-	-	-	-	-	(615,000)
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	-	-	-	-
<b>Lucknow System</b>						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	-	-	(3,162,000)	-	-	-
<b>All Systems Combined</b>						
Growth related	-	-	-	-	-	-
Service enhancement (system upgrades)	-	-	-	-	-	-
Lead service reduction	-	-	-	-	-	-
Replacement of existing infrastructure	(550,000)	(910,000)	(700,000)	(785,000)	(705,000)	(815,000)
<b>Total CAPITAL TRANSACTIONS</b>	<b>(550,000)</b>	<b>(910,000)</b>	<b>(3,862,000)</b>	<b>(785,000)</b>	<b>(705,000)</b>	<b>(3,765,000)</b>
<b>Investing transactions</b>						
Proceeds from portfolio investments	-	-	-	-	-	-
Purchase of portfolio investments	-	-	-	-	-	-
<b>Total INVESTING TRANSACTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing transactions</b>						
Federal/Provincial grants	-	-	-	-	-	-
Proceeds from debenture issue	-	-	-	-	-	-
<b>Total FINANCING TRANSACTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Receipts (Payments) for the year</b>	<b>318,081</b>	<b>46,529</b>	<b>(2,810,567)</b>	<b>368,231</b>	<b>557,389</b>	<b>(2,385,597)</b>
Cash at beginning of year	3,924,724	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387
Cash at end of year	4,242,805	4,289,334	1,478,767	1,846,998	2,404,387	18,790

#### Notes:

1. Financial plan assumes expenses increase at 2% per year (except hydro at 5%).
2. There are multiple reserve accounts. The Financial Plan does not distinguish which account is to be used for a particular capital project.
3. The current operations agreement with Veolia is set to expire Jan. 1, 2017.